



City of Saint Paul

Randy C. Kelly, Mayor

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November 29, 2004

Council President Kathy Lantry, and
City Councilmembers
3rd Floor City Hall
15 West Kellogg Boulevard
St. Paul, MN 55102

Subject: Material for the December 1st Budget Meeting

Dear Council President Lantry and City Councilmembers:

The attached material has been prepared for your use as background, and will be used by presenters at next Wednesday's meeting. Please bring this packet of advance material with you to the meeting.

The enclosed information has been prepared by staff and is related to the discussion items listed on the City Council's 2004 Meeting Notice and Agenda for December 1st, 2004, as distributed on Monday, November 29th, 2004. The discussion items and materials are:

- I. Review and Approve Agenda for December 1st and tentative agendas for December 8th and December 15th. (Council President Kathy Lantry)
- II. Review and Update as Necessary, the latest Version of the "City Council 2005 Budget Issues List" (Bob Kessler, Council Research)
- III. Consider 2005 Right-of-Way Assessment Rates for All Classes of Properties (Bob Sandquist, Director of Public Works, Greg Blees, Former Fiscal Policy Director, and Matt Smith, Director of Financial Services)

See pages 3 - 11.

- IV. Identify 2005 Funding For NIIF (Neighborhood Investment Initiative Fund) and NPPCP (Non-Profit Performance Contract Program) (Matt Smith, Director of Financial Services)

No additional information is available beyond what has already been presented to Council.

- V. Review 2005 Dollar List and Begin Making Tentative Funding Decisions for 2005 Budgets Based on Issues Previously Identified. (Matt Smith & Greg Blees, Former Fiscal Policy

Director)

See pages 12 - 14.

VI. Review Final Options for Citizen Participation Funding for 2005. (Bob Kessler & Ken Smith, Council Research)

VII. Review Final Departmental Responses to the Issues List. (Bob Kessler, Council Research)

VIII. Review CIB and STAR Project Balances. (Matt Smith)

See pages 15 - 20.

If you have questions on these subjects, please contact me. I look forward to seeing you next Wednesday.

Cordially,

A handwritten signature in black ink, appearing to read "Matt Smith". The signature is fluid and cursive, with the first name "Matt" and last name "Smith" clearly distinguishable.

Matt Smith
Director

cc: Dennis Flaherty
Budget Analysts
Department Directors
Trudy Moloney

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City of Saint Paul

Interdepartmental Memorandum

To: Council President Lantry
Councilmember Benanav
Councilmember Bostrom
Councilmember Harris
Councilmember Helgen
Councilmember Montgomery
Councilmember Thune

From: Matt Smith

Date: November 29, 2004

Subject: ROW Maintenance Assessment Rates

In its consideration of the Mayor's proposed 2005 budget for right of way maintenance spending and financing, the Council has requested additional analysis and recommendations from the Administration on the appropriate level of spending for these activities, and for the appropriate amount of cash balance to be maintained in the Right of Way (ROW) Maintenance Fund. Both of these, in turn, have implications for the amount of maintenance assessment financing required for the 2005 budget, and the amount of assessment financing required in future years. This memo presents analysis and recommendations on these issues.

Spending level for street maintenance

The Mayor's proposed budget for 2005 for right of way maintenance totals \$24.866 million. On an overall basis, allowing for budgetary changes in connection with the proposed transfer of streetlight maintenance financing into the right of way maintenance assessment, Council staff identified that total spending for the same scope of activities as in 2004 will be 1.4% below the adopted 2004 budget. Spending on administration of this fund is reduced in the 2005 budget to permit more resources to go to direct service delivery.

The major area of spending increase within the 2005 proposed budget is \$400,000 for improved maintenance of the streetlight system. The 26% increase in proposed right of way maintenance assessment rates is due to shifting streetlight system costs from the general fund to the street maintenance fund, and to provide additional resources for system maintenance. Spending is also recommended to increase to support the CMMS information system that will support improved management and maintenance of the right of way.

Based on the desirability of improving the funding for streetlight maintenance, and the modest rate of growth proposed for street maintenance activities overall, the Mayor recommends that the spending level for 2005 be adopted as originally proposed.

Minimum year-end cash balance in the Right of Way Maintenance Fund

The Office of Financial Services was asked to work with Public Works to identify options for setting a minimum annual ending cash balance in the Street Maintenance Fund. Three options were identified:

Option 1 (\$4.7 million):

Council staff's analysis as part of the budget discussion process this year showed that in 2006 the Right of Way Maintenance Fund would have a negative monthly cash balance three months of the year. He further demonstrated that a \$4.0 million cash balance would allow the fund to slip into negative balances only two months. This analysis was supplemented by Council President Lantry's stated concern that the Right-of-Way Maintenance Fund also hold cash equivalent to two snow emergencies. Public Works Accounting estimated each snow emergency cost at \$350,000 (which includes both plowing and downtown snow removal). These two concepts yield a desired cash balance of \$4.7 million for 2005.

Option 2 (\$4.97 million):

This option is really a hybrid option of options 1 and 3. It recognizes that 90 days of operating cash is equal to 25% of the annual budget, and that \$4.7 million is very very close to 20% of the annual operating budget. This option borrows the ease of a 25% multiplier while attempting to remain close in concept to the amount derived in option 1. This option may be desirable because as we move forward in time, 20% may be an easier rule-of-thumb to remember and apply by both staff and policy makers.

Option 3 (\$6.2 million):

This is based on Council File 00-745, which established the Designation for Sewer Utility Budget and Rate Stabilization. This resolution, adopted in 2000 requires 90 days of operating cash in the Sewer Utility to have adequate cash to meet ongoing obligations. There are enough similarities between these two funds' expenditure and receipt patterns that we could use a similar model for the Right-of-Way Maintenance Fund.

Considerations in selecting the appropriate cash balance include the nature of the assessment financing used for the fund, which allow for annual rate adjustments based on actual annual expenditures, the impact on other funds and the City's overall cash position should the Street Maintenance Fund have a negative balance in any single month, and the capacity to absorb spending or revenue shocks without a need for abrupt changes in assessment rates from year to year. The cash held by the fund also indirectly affects the rest of the City budget, as interest earnings from the Street Maintenance Fund are transferred as revenue to the General Fund.

The recommendation of the Office of Financial Services and Public Works for the minimum year-end cash balance is \$4.7 million, growing annually with inflation in fund expenditures. This amount should be sufficient to minimize impacts on other funds and allow for unforeseen expenditures or shortfalls in other revenue streams, but is also at an appropriately low level for a fund that is largely funded from annual maintenance assessments that should reflect the actual cost of services provided that year.

Managing the ROW Maintenance fund cash balance over time

The year-end cash balance in the fund in any year is the product of a combination of factors: the beginning cash balance, how much fund balance is used to finance annual operations, the rate of growth in assessment revenue, and the actual spending for that year. Cash balance in the fund has dropped from \$21.9 million at the end of 2002 to an estimated \$13.1 million at the end of 2004. Under the Mayor's proposed budget, cash is projected to drop to \$7.1 million at the end of 2005. It had been further projected (assuming equivalent 2.0 to 2.5% increases in both spending and assessment rates) to drop to \$3.3 million in 2006 and be negative beginning in 2007.

Why does the cash balance in the fund drop so rapidly? There are two reasons: First, in recent years, the Mayor and Council have agreed to use appropriations from the fund balance to finance this activity, to draw down an excessively high fund balance from past years and to keep current assessment rates low. Secondly, the transition to assessment financing causes a cash flow problem—most (70%) of the assessments were not expected to be paid until the following year, drawing down the fund's cash in the meantime.

In order to prevent the cash balance from dropping so precipitously, a combination of increased assessment revenues, lower growth in spending, and reduced reliance of fund balance to fund annual operations will be required. Alternative scenarios for long-term rates of growth in assessment revenue and spending have been evaluated to project year-end cash balances in the fund. These scenarios also incorporate updated information from Public Works' Real Estate office, which indicated that 40% of the 2004 ROW assessments are being paid this year—up from the 30% level that had been used in previous projections. This has a significant effect on the cash balances forecast each year.

Some general conclusions from this analysis are:

- Cash balances in the ROW fund will trend down over time before stabilizing and increasing again, due to the lagged impacts of the recent shift of approximately \$9 million from the general fund to assessment financing.
- The more fund balance is used to finance 2005 ROW maintenance spending, the lower the cash balance will drop in future years, and the longer the time period required to regain and maintain a given level of cash in the fund. Higher rates of future spending growth have the same effect.
- If assessment revenues (beginning in 2005) grow more slowly, then the cash balance drops

faster and takes longer to recover.

Based on this analysis, OFS and Public Works recommend a long-term strategy to stabilize the cash balance in the ROW Maintenance Fund at \$4.7 million, adjusted for future inflation. The elements of this strategy include:

- Adopting the Mayor's 2005 budget recommendation as proposed, including the overall levels of assessment financing, spending, and fund balance use recommended.
- Setting a target that actual spending growth in 2006 and beyond can be held to about 1% annually above the 2005 budgeted amount. This should be reasonable, given the historic good management and spending efficiencies that the fund's managers have demonstrated over the years.
- Setting a target that the maximum annual increase in assessment revenue can be held to 5% or less in future years. While this figure somewhat exceeds expected general inflation, it is necessary to ensure that the cash balance target can be met. This maximum rate increase can be reduced in future years' budgets if cash balances drop less rapidly than forecast, for example, due to underspending or increases in the share of assessments paid the year they are billed.

Using this strategy (and incorporating all of the assumptions described above), cash balance in the ROW Maintenance Fund is projected at \$8.9 million at year-end 2005, dropping to \$6.1 million in 2006 and hitting a low of \$2.4 million in 2009 before regaining the \$4.7 million level by 2012.

Right of Way Maintenance Assessment rate recommendations for 2005

Based on the recommended spending levels for 2005 and the minimum cash balance goal and long-term strategy to achieve this discussed above, the Administration recommends a total amount of assessment financing of \$17,509,712 for 2005. This is the same amount originally recommended by the Mayor in the proposed budget. The proposed 2005 ROW assessment rates recommended by the Mayor will achieve this total level of financing.

cc: Mayor Kelly
Dennis Flaherty
Bob Sandquist

Fund 225 Cash Balance Projections and Impact on Potential Right-of-Way Maintenance Assessment Rate Increases

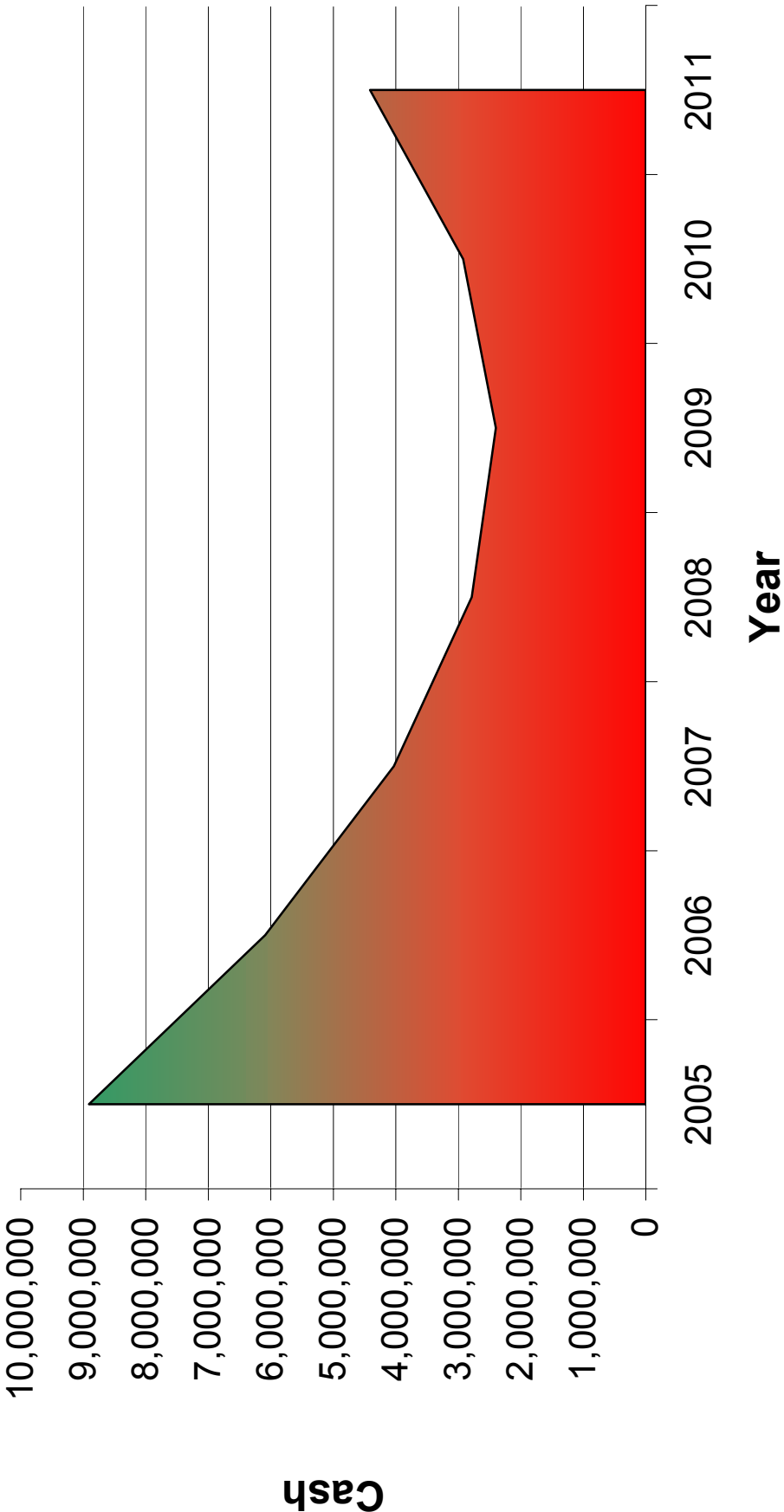
- a) 1% inflation each year 2006 and beyond
- b) No reduction in 2005 spending or financing
- c) Assumes 40% of receipts received in initial billing year

2005			PROJECTION		
Mayor's Proposed		Alternative	2006	2007	2008
Spending	Rate Incr.	Spending			
Spending	24,865,992	26.1%	24,865,992	26.1%	
Use of Fund Balance	3,449,963		3,449,963		
Cash Balance	7,158,910		8,909,881		
Maximum Rate Increase Assumptions					
2006 through 2009			5.0%	4,029,379	2,783,678
or			6.0%	4,573,930	3,912,895
			7.0%	5,121,984	5,056,752
					2,397,868 *
					4,349,528
					6,339,438

- 1) Establishes a policy of maintaining \$4M plus the cost of two Snow Emergencies
- 2) Provides for a consistent pattern of rate increases

* \$4.7M Cash Balance would be achieved by 2012

ROW Maintenance Fund: Projected Cash Trend 2005 to 2011
(Assumes maximum 5% annual ROW rate increase and net spending growth of 1% annually)



1 Actual @ 12-31-02
2 Actual @ 12-31-03
3 P.W. Estimate @ 12-31-04

	<u>Balance</u>	<u>Balance</u>
29,679,407	21,928,995	
26,573,030	16,414,115	
23,749,754	13,165,313	

3) 1% Spending Inflationary 2006 and beyond
4) 5% ROW Assessment Rate Increase each year starting in 2006 until

2005 Budget:		Mayor's Proposed 2005		OFS ALTERNATIVE	
	2004 Adopt				
4	Street Mntce Program	16,147,619	16,892,297	16,892,297	
5	Bridge Mntce Program	1,387,429	1,373,939	1,373,939	
6	T-O Forestry	1,845,000	1,937,112	1,937,112	
7	T-O Traffic, Lighting & Signs		3,819,698	3,819,698	0
8	T-O Sidewalks	205,000	211,150	211,150	
9	T-O Tort Settlements Gen. Fd	136,283	136,283	136,283	
10	T-O PC Replacement Plan		3,600	3,600	
11	T-O 2 NHPI Inspectors Gen. Fd.		152,350	152,350	
12	T-O Recov Advance - CIB Bridge		157,247	157,247	
13	T-O Real Estate Div. - Assess Notices		84,666	84,666	
14	Contingency (Corrected)		97,650	97,650	0
15	Right-of-Way Coord.		Moved \$ to other P.W. funds.		
16	Total Spending:	24,865,992	9.5%	24,865,992	9.5%
17	ROW Assessments	17,509,712	26.1%	17,509,712	0
18	Aids/Fees	3,871,363	-32.2%	3,871,363	
19	General Fund	34,954	-1.1%	34,954	
20	Use of Fund Balance: #225	3,449,963	45.0%	3,449,963	0
21	Total Financing:	24,865,992	9.5%	24,865,992	9.5%
22	Est Bal. @ 12-31-05:	20,299,791	8,909,881	20,299,791	8,909,881

2006 Budget:		P.W. Acctg Est: 2% Infl		OFS ALTERNATIVE	
23	Total Spending:	25,363,312	2.0%	25,114,652	1.0%
24	ROW Assessments	17,859,906	2.0%	18,385,198	525,292
25	Aids/Fees	3,871,363	0.0%	3,871,363	0
26	General Fund	34,954	0.0%	34,954	
27	Use of Fund Balance: #225	3,597,089	4.3%	2,823,137	-773,952
28	Total Financing:	25,363,312	2.0%	25,114,652	
29	Est Bal. @ 12-31-06:	16,702,702	3,316,686	17,476,654	6,086,744

2007 Budget:		P.W. Acctg Est: 2.5% Infl		CC Opt. 1 @ 1.0% Infl.	
30	Total Spending:	25,997,395	2.5%	25,365,798	1.0%
31	ROW Assessments	18,306,404	2.5%	19,304,458	998,054
32	Aids/Fees	3,968,147	2.5%	3,968,147	0
33	General Fund	35,828	2.5%	35,828	0
34	Use of Fund Balance: #225	3,687,016	2.5%	2,057,365	-1,629,651
35	Total Financing:	25,997,395	2.5%	25,365,798	
36	Est Bal. @ 12-31-07:	13,015,686	-682,880	15,419,289	4,029,379

2008 Budget:		P.W. Acctg Est: 2.5% Infl		CC Opt. 1 @ 1.0% Infl.	
37	Total Spending:	26,647,330	2.5%	25,619,456	1.0%
38	ROW Assessments	18,764,064	2.5%	20,269,681	965,223
39	Aids/Fees	4,067,351	2.5%	4,067,351	0
40	General Fund	36,724	2.5%	36,724	0
41	Use of Fund Balance: #225	3,779,191	2.5%	1,245,701	-2,533,490
42	Total Financing:	26,647,330	2.5%	25,619,456	
43	Est Bal. @ 12-31-08:	9,236,495	-4,782,434	14,173,588	2,783,678

2009 Budget:		P.W. Acctg Est: 2.5% Infl		CC Opt. 1 @ 1.0% Infl.	
44	Total Spending:	27,313,513	2.5%	25,875,651	1.0%

1 Actual @ 12-31-02
2 Actual @ 12-31-03
3 P.W. Estimate @ 12-31-04

	<u>Balance</u>	<u>Balance</u>
1	29,679,407	21,928,995
2	26,573,030	16,414,115
3	23,749,754	13,165,313

3) 1% Spending Inflationary 2006 and beyond
4) 6% ROW Assessment Rate Increase each year starting in 2006 until

2005 Budget:		Mayor's Proposed 2005		OFS ALTERNATIVE	
	2004 Adopt				
4	Street Mntce Program	16,147,619	16,892,297	16,892,297	
5	Bridge Mntce Program	1,387,429	1,373,939	1,373,939	
6	T-O Forestry	1,845,000	1,937,112	1,937,112	
7	T-O Traffic, Lighting & Signs		3,819,698	3,819,698	0
8	T-O Sidewalks	205,000	211,150	211,150	
9	T-O Tort Settlements Gen. Fd	136,283	136,283	136,283	
10	T-O PC Replacement Plan		3,600	3,600	
11	T-O 2 NHPI Inspectors Gen. Fd.		152,350	152,350	
12	T-O Recov Advance - CIB Bridge		157,247	157,247	
13	T-O Real Estate Div. - Assess Notices		84,666	84,666	
14	Contingency (Corrected)		97,650	97,650	0
15	Right-of-Way Coord.		Moved \$ to other P.W. funds.		
16	Total Spending:	24,865,992	9.5%	24,865,992	9.5%
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19	General Fund	34,954	-1.1%	34,954	
20	Use of Fund Balance: #225	3,449,963	45.0%	3,449,963	0
21	Total Financing:	24,865,992	9.5%	24,865,992	9.5%
22	Est Bal. @ 12-31-05:	20,299,791	8,909,881	20,299,791	8,909,881

2006 Budget:		P.W. Acctg Est: 2% Infl		OFS ALTERNATIVE	
23	Total Spending:	25,363,312	2.0%	25,114,652	1.0%
24	ROW Assessments	17,859,906	2.0%	18,560,295	700,389
25	Aids/Fees	3,871,363	0.0%	3,871,363	0
26	General Fund	34,954	0.0%	34,954	
27	Use of Fund Balance: #225	3,597,089	4.3%	2,648,040	-949,049
28	Total Financing:	25,363,312	2.0%	25,114,652	1.0%
29	Est Bal. @ 12-31-06:	16,702,702	3,316,686	17,651,751	6,261,841

2007 Budget:		P.W. Acctg Est: 2.5% Infl		CC Opt. 1 @ 1.0% Infl.	
30	Total Spending:	25,997,395	2.5%	25,365,798	1.0%
31	ROW Assessments	18,306,404	2.5%	19,673,912	1,367,508
32	Aids/Fees	3,968,147	2.5%	3,968,147	0
33	General Fund	35,828	2.5%	35,828	0
34	Use of Fund Balance: #225	3,687,016	2.5%	1,687,911	-1,999,105
35	Total Financing:	25,997,395	2.5%	25,365,798	1.0%
36	Est Bal. @ 12-31-07:	13,015,686	-682,880	15,963,840	4,573,930

2008 Budget:		P.W. Acctg Est: 2.5% Infl		CC Opt. 1 @ 1.0% Infl.	
37	Total Spending:	26,647,330	2.5%	25,619,456	1.0%
38	ROW Assessments	18,764,064	2.5%	20,854,347	1,180,435
39	Aids/Fees	4,067,351	2.5%	4,067,351	0
40	General Fund	36,724	2.5%	36,724	0
41	Use of Fund Balance: #225	3,779,191	2.5%	661,035	-3,118,156
42	Total Financing:	26,647,330	2.5%	25,619,456	1.0%
43	Est Bal. @ 12-31-08:	9,236,495	-4,782,434	15,302,805	3,912,895

2009 Budget:		P.W. Acctg Est: 2.5% Infl		CC Opt. 1 @ 1.0% Infl.	
44	Total Spending:	27,313,513	2.5%	25,875,651	1.0%

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5	Bridge Mntce Program	1,387,429	1,373,939	1,373,939	
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7	T-O Traffic, Lighting & Signs		3,819,698	3,819,698	0
8	T-O Sidewalks	205,000	211,150	211,150	
9	T-O Tort Settlements Gen. Fd	136,283	136,283	136,283	
10	T-O PC Replacement Plan		3,600	3,600	
11	T-O 2 NHPI Inspectors Gen. Fd.		152,350	152,350	
12	T-O Recov Advance - CIB Bridge		157,247	157,247	
13	T-O Real Estate Div. - Assess Notices		84,666	84,666	
14	Contingency (Corrected)		97,650	97,650	0
15	Right-of-Way Coord.		Moved \$ to other P.W. funds.	Moved \$ to other P.W. funds.	
16	Total Spending:	24,865,992	9.5%	24,865,992	9.5%
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21	Total Financing:	24,865,992	9.5%	24,865,992	9.5%
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25	Aids/Fees	3,871,363	0.0%	3,871,363	0
26	General Fund	34,954	0.0%	34,954	
27	Use of Fund Balance: #225	3,597,089	4.3%	2,472,943	-1,124,146
28	Total Financing:	25,363,312	2.0%	25,114,652	1.0%
29	Est Bal. @ 12-31-06:	16,702,702	3,316,686	17,826,848	6,436,938

2007 Budget:		P.W. Acctg Est: 2.5% Infl		CC Opt. 1 @ 1.0% Infl.	
30	Total Spending:	25,997,395	2.5%	25,365,798	1.0%
31	ROW Assessments	18,306,404	2.5%	20,046,869	1,740,465
32	Aids/Fees	3,968,147	2.5%	3,968,147	0
33	General Fund	35,828	2.5%	35,828	0
34	Use of Fund Balance: #225	3,687,016	2.5%	1,314,954	-2,372,062
35	Total Financing:	25,997,395	2.5%	25,365,798	1.0%
36	Est Bal. @ 12-31-07:	13,015,686	-682,880	16,511,894	5,121,984

2008 Budget:		P.W. Acctg Est: 2.5% Infl		CC Opt. 1 @ 1.0% Infl.	
37	Total Spending:	26,647,330	2.5%	25,619,456	1.0%
38	ROW Assessments	18,764,064	2.5%	21,450,150	1,403,281
39	Aids/Fees	4,067,351	2.5%	4,067,351	0
40	General Fund	36,724	2.5%	36,724	0
41	Use of Fund Balance: #225	3,779,191	2.5%	65,232	-3,713,959
42	Total Financing:	26,647,330	2.5%	25,619,456	1.0%
43	Est Bal. @ 12-31-08:	9,236,495	-4,782,434	16,446,662	5,056,752

2009 Budget:		P.W. Acctg Est: 2.5% Infl		CC Opt. 1 @ 1.0% Infl.	
44	Total Spending:	27,313,513	2.5%	25,875,651	1.0%

2005 Budget Balancing Status General Fund

Report date/time: 11/29/04 8:27 AM

		Spending	Financing
Mayor's Proposed Budget...			
Mayor's Budget Total		157,491,742	157,491,742
Gap: Excess / (Shortfall)			0
Technical Changes to the Mayor's Budget...			
General Government Accounts	Shift funding to Libraries for assessment increase	(3,272)	
General Government Accounts	Reduce CHCH for space changes (Info Complaint)	(48,318)	
NHPI	Eliminate vacant clerk position	(45,761)	
NHPI	Eliminate budgeted rent increase	(7,500)	
NHPI	Shift costs to general fund from CDBG	96,922	
Non Department Financing	Difference between Certified LGA Amount and Preliminary Estimate		(105,449)
Non Department Financing	Loss of Central Service Revenue from Water		(10,065)
Non Department Financing	Hotel Motel Tax		98,470
Non Department Financing	LGA or Taxes Shift for assessment increase		(3,272)
Non Department Financing	Shift of Financing from Debt Funds		124,445
	(lower CIB interest rate assumption at 4%)		
Non Department Financing	Continuation of 2004 Cultural STAR Decision (2004 funding)		114,660
Non Department Financing	Continuation of 2004 Cultural STAR Decision (2005 funding)		114,660
Budget After Technical Changes		157,483,813	157,825,191
Gap: Excess / (Shortfall)			341,378

Policy Changes Proposed by the Mayor (September 7, 2004)...

Citizen Services	Reduce Marketing budget to fund 5 Officers	(250,000)	
General Government Accounts	Reduce CHCH for space changes to fund 5 officers	(76,745)	
Police	Add 5 officers	326,745	
Budget After Policy Changes		157,483,813	157,825,191
Gap: Excess / (Shortfall)			341,378

Additional Potential Changes Identified by the City Council...

Fire	7 Fire Fighters	423,220	
General Government Accounts	Citizen Participation	6,441	
Parks and Recreation	Recreation Center Hours	85,000	
Police	Up to 10 telecommunicators	527,370	
Public Works	Graffiti funding	(34,954)	
Council	HRA transfer for policy staff		(50,000)
Non Department Financing	Shift of Financing from Debt Funds (debt manager position)		20,000
Non Department Financing	Delay the first principle payment of the 2005 CIB bond from March to September 2006, removing it from the 2005 budget for subsequent years debt		1,500,000
Budget After Council Changes		158,490,890	159,295,191
Gap: Excess / (Shortfall)			804,301

2005 Budget Balancing Status

Special Funds, Debt and Capital Improvement Budgets

Report date/time: #REF!

	Spending	Financing
Mayor's Proposed Budget...		
Special Funds	205,417,225	205,417,225
Debt Service Funds	55,481,876	55,481,876
Capital Improvement Budget	74,586,000	74,586,000
Mayor's Budget Total	335,485,101	335,485,101
Gap: Excess / (Shortfall)		0

Technical Changes to the Mayor's Budget...

City Attorney	Transfer from LIEP for Attorney	127,442	127,442
Debt	St Paul Foundation Revenue Note STAR		130,000
Debt	St Paul Foundation Revenue Note Parking Transfer In		(130,000)
Debt	Downgrade Debt Manager position	(20,000)	(20,000)
Debt	Debt Interest at 4%	(125,445)	(125,445)
Fire	Reflect Revised 2005 Fire Apparatus Plan	701,500	701,500
Health	System Problems w/ Personnel	24,535	24,535
LIEP	Transfer to CAO for Attorney funding	127,442	127,442
Mayor	ServeMinnesota grant	135,500	135,500
Mayor	AmeriCorps Vista grant	55,375	55,375
Mayor	3M donation for education	10,000	10,000
Mayor	St. Paul Travelers Foundation donation	80,000	80,000
NHPI	Reduce personnel costs in CDBG	(96,922)	
NHPI	Increase demo costs in CDBG	96,922	
Parks	Dutch Elm Refuse Hauling	8,000	8,000
Parks	Dutch Elm Tree Removal	400,000	400,000
Police	Ramsey County Intergovernmental Mobility Transfer	76,330	76,330
Police	2005 sevicees and reimbursment Ramsey County Sheriff		
Police	New Grant Funds in 2005		
Police	Minnesota Financial Crimes Task Force	28,021	28,021
Police	Estimated Grant Funds remaining from 2004		
Police	Law Enforcement Terrorism Prevention Grant	100,000	100,000
Police	Urban Areas Strategic Initiative Grant	150,000	150,000
Police	COPS Technology Grant	98,948	98,948
Police	Disproportionate Minority Contact Grant	299,833	299,833
Police	Econ Crime Prevention Grant	10,700	10,700
Police	Homeland Security Equipment Grant	338,962	338,962
Police	NIBRS Grant (change)	25,492	25,492
Police	Value-Based Initiative Grant (change)	35,770	35,770
Police	Vietnamese Youth Education Grant (change)	7,200	7,200
Police	Youth Achievers Program Grant (change)	18,500	18,500
Police	Youth Health & Academic Enrichment Grant (change)	21,000	21,000
Police	Local Law Enforcement Block Grant IX	(258,655)	(258,655)
Police	change to reflect actual grant		
Public Works	Graffiti costs move from general fund	34,954	34,954
Public Works	Correct transfer form NHPI FTEs	152,350	
Public Works	Correct transfer form NHPI FTEs	(125,000)	
Public Works	Correct transfer form NHPI FTEs	(27,350)	
Budget After Technical Changes		337,996,505	337,996,505
Gap: Excess / (Shortfall)			0

2005 Budget Balancing Status Library Agency

Report date/time: #REF!

	Spending	Financing
Recomended Budget...		
Operating (Funds 349 and 363)	13,997,840	13,997,840
Debt (Fund 966)	3,078,965	3,078,965
Total	<u>17,076,805</u>	<u>17,076,805</u>
Gap: Excess / (Shortfall)		0

Technical Changes to the Recommended Budget...

Library Operating	Fund 349-Shift funding to Libraries for assessment increase	3,272	
Library Operating	Fund 349-LGA or Taxes Shift for assessment increase		3,272
Library Operating	Fund 349-Shift materials from 04 to 05	55,000	
Library Operating	Fund 349-Use of Fund Balance		55,000
Budget After Technical Changes		<u>17,135,077</u>	<u>17,135,077</u>
Gap: Excess / (Shortfall)			0

Library Capital Budget			
Library Capital	Fund 934-Transf to Debt Serv Fund 966 (financing for #966)	105,000	
Library Capital	Fund 934-Interest Earnings		95,000
Library Capital	Fund 934-Use of Fund Balance		10,000
		<u>105,000</u>	<u>105,000</u>



City of Saint Paul

Randy C. Kelly, Mayor

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15 West Kellogg Boulevard
Saint Paul, Minnesota 55102-1658*

*Telephone: (651) 266-8800
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November 29, 2004

Council President Kathy Lantry, and
City Councilmembers
3rd Floor City Hall
15 West Kellogg Boulevard
St. Paul, MN 55102

Subject: Supplement to the September 30th, 2004 Quarterly Capital Projects Report

Dear Council President Lantry and City Councilmembers:

At the Council's November 17th budget meeting, you requested an updated capital projects report. Attached is a summary report listing available project balances as identified on the September 30th report, but updated with additional project balances that have been identified since then. Additionally, I asked departments to provide an explanation for any projects that had little to no spending activity for at least a one-year period.

I hope this summary report provides you with the information that you desired. Please contact Peter Butler at 266-8547 if you have questions about this report or the status of specific projects.

Cordially,

Matt Smith
Director

Cc: Capital Improvement Budget Committee
Neighborhood STAR Board
Cultural STAR Board

Attachment: Supplement to the Capital Projects Report for Quarter ending September 30th, 2004

G:\Shared\Budget\DEPTS\CIB\Quarterly council reports\2004 reports\2004-Dec 1 report-cover letter.wpd

SUMMARY OF CAPITAL PROJECT BALANCES

Supplement to Sept. 30, 2004 Quarterly Report

CAPITAL IMPROVEMENT BOND PROJECTS

Available Balances (completed projects or designated for Contingency)

All these project balances were reported as available on the Sept 30 report, except as noted.

ACTIVITY PROJECT	DESCRIPTION	BALANCE	
90097 76130	DOWNTOWN SIGNAGE	24,136	
90087 72187	E.SHORE DR RECON:JOHNSON-LARP	1,875	Newly available
90100 73328	HILLCREST CENTER GYM	328	
96084 76104	NBRHD PARTNERSHIP PROGRAM	3,311	
96085 76104	NBRHD PARTNERSHIP PROGRAM	5,224	
90094 76104	NBRHD PARTNERSHIP PROGRAM	2,009	
96086 76104	NBRHD PARTNERSHIP PROGRAM	240	
96084	PED CIB 1984	3,361	
96085	PED CIB 1985	5,224	
96086	PED CIB 1986	240	
96084 76124	PUBLIC ARTS PROJECT	50	Newly available
90102 73309	RICE & ARLINGTON FIELD LTG	32,800	
90104 70004	SPECIFIED CONTINGENCY	172,000	
90102 70004	SPECIFIED CONTINGENCY	15,000	
90098 73304	TILDEN PARK IMPROVEMENTS	3,023	
	Total	<u>268,821</u>	

Available Balances Recommended for Debt Service in Proposed 2005 Budget

ACTIVITY PROJECT	DESCRIPTION	BALANCE
90102 74121	CARBON MONOXIDE DET.EQUIP E SID	2,952
90098 74120	EMERGENCY COMM.CTR.RENOVATION	252
90097 75130	FUEL TANK REPLACEMENT	11,191
90094 76126	LOWERTOWN GATEWAY REVITAL	2,111
90093 76104	NBRHD PARTNERSHIP PROGRAM	4,474
90099 74118	OLD EAST TEAM RENOVATION	3,795
90104 70004	SPECIFIED CONTINGENCY	46,499
	Total	<u>71,273</u>

SUMMARY OF CAPITAL PROJECT BALANCES

Supplement to Sept. 30, 2004 Quarterly Report

Projects with Little Spending Activity for at Least One Year

ACTIVITY PROJECT	DESCRIPTION	BALANCE	NOTES
90103 72122	CITYWIDE LIGHTING IMP	27,000	Annual program. Will be spent.
90097 72122	CITYWIDE LIGHTING IMP	43,681	Annual program. Will be spent.
90099 72295	COMO AVE BIKE LANES	2,825	Will be used for 2004-05 Como Ave Bike Ln Project.
90100 75140	FIRE STATION #10 REPLACEMENT	42,000	Designated for design. Requires additional funding for construction.
90101 75140	FIRE STATION #10 REPLACEMENT	127,000	
90103 73340	HARRIET ISLAND IMPROVEMENTS	23,704	Additional improvements to be completed spring 2005.
90100 72308	HAZEL PK/WHITE BEAR INTERSECT I	75,000	Will be used for other White Bear Ave projects.
90102 76131	INDOOR FARMER'S MARKET	195,000	Agreement to commence with project will be signed soon.
90102 73335	OLD WAGON ROAD PED/BIKE PATH	26,932	Seeking additional funding to proceed.
90101 72269	PHALEN WETLAND RESTORATION	48,840	Project is on hold until funding for replacing tennis courts elsewhere is obtained.
90103 72283	SIGNAL ENHANCE/TRAFFIC CHANNEL	100,000	Annual program, currently being spent
90103 73337	SOUTHWEST AREA MNTCE FACILTY	1,410,000	Committed / Under Construction
90101 72298	ST PAUL GATEWAY	40,000	Active project. Need to pay contractor.
90103 72316	TRAFFIC CALMING	40,000	Currently being spent.
90101 72304	WHITE BEAR/MINNEHAHA INTERSECTI	613	Active project.

COMMUNITY DEVELOPMENT BLOCK GRANT PROJECTS

Available Balances (completed projects or designated for Contingency)

ACTIVITY PROJECT	DESCRIPTION	BALANCE	
94002 00382	ACQUISITION CONTINGENCY	126,598	
99003 00809	DUNNING RECREATION CENTER	10,467	Available, but needed for Griggs Rec. project.
91022 01020	IRIS PARK SITEWORK	11,727	Available, but needed for Griggs Rec. project.
98009 00665	MARTIN LUTHER KING RENOVATION	341	
94002 00504	PUBLIC IMPROVEMENT CONTINGENCY	317,693	
94002 00502	REHABILITATION CONTINGENCY	207,914	
94002 00503	UNSPECIFIED CONTINGENCY	470,705	
	Total	<u>1,145,445</u>	

SUMMARY OF CAPITAL PROJECT BALANCES

Supplement to Sept. 30, 2004 Quarterly Report

Projects with Little Spending Activity for at Least One Year

ACTIVITY	PROJECT	DESCRIPTION	BALANCE	NOTES
96004	01004	1161 CLARENCE	4,401	Final draw not made yet.
96007	01159	565 PAYNE AVE	130,000	Project start delayed.
97001	00539	BLOCK NURSE PROGRAM	90,000	Multi-year program
94002	00484	CHILD CARE FACILITY REHAB	10,379	Final draw not made yet.
94002	00492	COMM HAZARDOUS BLDG DEMO	182,902	Little commercial demo. activity, some funds may be moved to residential demo project.
91021	01019	COMP HOMEOWNER OPP FUND	2,227,139	Multi-year program
96004	00997	EAST MINNEHAHA	13,473	Final draw not made yet.
96004	01002	ECHO HOUSING	5,405	Final draw not made yet.
94002	00387	FINANCE DEPARTMENT	42,450	Multi-year program
94002	00462	HOMELESS FACILITIES IMP	254,810	No viable responses to RFP this year.
94002	00405	HOUSING INFORMATION OFFICE	563,783	Multi-year program
96007	00519	NHBD COMMERCIAL REAL ESTATE LOA	870,000	Multi-year program
98004	00660	NORTH END HOME LOAN	41,870	Project being closed out. Should be available.
91021	01116	RAILROAD ISLAND HOUSING	144,554	Final draw not made yet.
94002	00420	REHAV LOAN SERVICE FEES	7,037	No fees charged this year
96007	01161	SWEDISH BANK BUILDING	230,000	Project start delayed. See Neighborhood STAR project below.
94002	00413	TAXI REFUELING STATION	1,893	Ongoing monitoring of a polluted site that is being cleaned up.

NEIGHBORHOOD STAR PROJECTS

Available Balances (completed projects or undesignated)

All these project balances have been identified as available since the Sept. 30 report, except the Year-Round Projects Activity.

90306	77129	617 STRYKER REDEVELOPMENT	12,551	Newly available
90306	77430	AFFORDABLE HOUSING REHAB. INITI	9,580	Newly available
90305	77430	AFFORDABLE HOUSING REHAB. INITI	10,000	Newly available
90306	77339	MAC-GROVELAND LEAD WATER REPLA	50,200	Newly available
90308	77457	PARKWAY LITTLE LEAGUE RECONSTRU	890	Newly available
90308	77455	ST ANTHONY PK COMMERCIAL IMPROV	512	Newly available
		YEAR-ROUND PROJECTS ACTIVITY	73,686	
		Total	157,419	

SUMMARY OF CAPITAL PROJECT BALANCES

Supplement to Sept. 30, 2004 Quarterly Report

Available Balances Recommended for Debt Service in Proposed 2005 Budget

STAR PROJECT BALANCES (1)	561,000
UNBUDGETED 2002 REVENUES	18,158
Total	<u>579,158</u>

(1) On Nov. 24, the Council passed the Cycle 10 STAR resolution, which reallocates \$561,000 of project balances into a Council Contingency.

Projects with Little Spending Activity for at Least One Year

ACTIVITY	PROJECT	DESCRIPTION	BALANCE	NOTES
90306	77558	815 THIRD ST - USHNA	17,381	Property sale delayed.
90308	77620	ARTSTART	6,903	Expires March 2005
90308	77694	BRUSH WITH KINDNESS #3	20,000	Expires July 2006
90308	77691	COMMERCIAL RESTORE SP	20,000	Expires Sept. 2005
90306	77651	COMO VISITOR CENTER	100,000	Committed / Under Construction
90306	77664	CONCORDIA LANDSCAPING	17,500	Expires March 2005
90305	77700	DIST DEL SOL BLD INCENTIVE	35,000	Expires Feb 2006
90306	77700	DIST DEL SOL BLD INCENTIVE	70,000	Expires Feb 2006
90308	77692	FRENCH SCHOOL PLAYGROUND	25,000	Expires Oct. 2005
90306	77309	GRAND/SNELLING PARKING LOT	1,644	Contract expired. Ward 3 NIIP.
90308	77379	HIGHLAND DEV PROJ VI	20,000	Contract expired.
90308	77462	HIGHLAND DEVELOPMENT PROJ VII	10,200	Contract expired.
90308	77001	HIGHLAND THEATER	44,000	Expires 2006
90305	77531	HISTORIC BREWERY RENOVATION	20,000	Expires March 2005
90306	77531	HISTORIC BREWERY RENOVATION	30,000	Expires March 2005
90305	77542	HMONG COMMUNITY CENTER	300,000	Project still in planning stages.
90306	77542	HMONG COMMUNITY CENTER	300,000	
90305	77532	HOA BIEN RESTAURANT	150,000	Project still in planning stages.
90306	77532	HOA BIEN RESTAURANT	50,000	
90306	77640	HORSE STABLE	50,000	To be reallocated for Car-Lo Building improvements.
90306	77644	LOU'S MARKET SITE	100,000	Part of New Housing on White Bear Ave. Project. Ward 6 NIIP.
90306	77550	LOWER PHALEN CREEK	18,907	Committed / Design Under Contract
90305	77701	MANN THEATERS	213,270	Expires Feb. 2006. Wards 2+3 NIIP.
90306	77678	NEDA DUPLEX	15,000	Land acq. delayed.
90306	77443	NEW HOUSING ON WHITE BEAR AVE	79,889	Construction is based on pre-sales.
90305	77437	OLD SWEDISH BANK RENNOVATION	30,000	Recipient is seeking matching funds.
90306	77437	OLD SWEDISH BANK RENNOVATION	132,278	
90305	77530	PAN ASIAN URBAN VILLAGE	750,000	Project still in planning stages.
90306	77530	PAN ASIAN URBAN VILLAGE	200,000	
90305	77155	PED PROG FOR NEIGHBORHOOD PROJS	28,000	PED ongoing program.
90308	77621	PHALEN BERM	5,000	Awarded June 2002, but no contract.
90308	77574	PHALEN ENTRANCES II	20,000	Under Design
90306	77543	RENEWING THE HEART OF THE CITY	150,000	Contract expired.
90306	77699	SELBY MAIN ST INITIATIVE	25,000	Expires June 2006

SUMMARY OF CAPITAL PROJECT BALANCES

Supplement to Sept. 30, 2004 Quarterly Report

90308	77688	SHOWER FACILITY	25,000	Awarded July 2003, but no contract.
90305	77655	SMALL BUSINESS EXPANSION PROG	500,000	Awarded Oct. 2002, but no contract.
90305	77103	STAR BUSINESS RLP	94,100	
90306	77103	STAR BUSINESS RLP	8,900	PED ongoing program.
90306	77196	SUBURBAN/I94 COMMERCIAL AREA	65,000	Contract expired.
90308	77690	TREASURE ISLAND	25,000	Contract in process.
90306	77697	UNIV ENTERPRISE LAB	500,000	Contract in process.

CULTURAL STAR PROJECTS

Available Balances (projects are completed)

All these project balances were reported as available on the Sept 30 report.

ACTIVITY PROJECT	DESCRIPTION	BALANCE	NOTES
90310	77386 COMM FILM VENUE	920	
90310	71521 DALE WARLAND SINGERS	13,000	
90310	77414 DOWNTOWN DIRECTIONAL SIGNAGE	15,748	
90310	77586 MN DANCE THEATER	15,000	
90310	77617 MN MUSEUM OF AMERICAN ART	9,000	
90310	77612 SP ART CRAWL	1,160	
90310	77615 SPRINGBOARD FOR THE ARTS	49	
90310	77625 STEPPING STONE THEATER	236	
90399	77999 UNDESIGNATED ADOPTED BUDGET	120,360	
90310	77613 WALKER WEST MUSIC ACADEMY	10,000	
90310	77503 WEYERHAEUSER AUD THEATRICAL IMI	701	
	Total	186,175	

Projects with Little Spending Activity for at Least One Year

ACTIVITY PROJECT	DESCRIPTION	BALANCE	NOTES
90310	71536 2004 MN BOOK AWARDS	15,000	No contract.
90310	71510 2004 SPCO CONCERT	25,000	Expires July 2005.
90310	71530 AUDITORIUM LIGHTING	7,500	Expires June 2005.
90310	71529 BLACKFEET PHOTO EXHIBIT	10,000	No contract.
90310	77505 CHILDREN SAFETY CENTER	7,000	Expired contract.
90310	71514 CULTURAL PROGRAMS	14,000	Expires August 2005.
90310	71517 DIGITAL SOUND	30,000	Expires June 2005.
90309	71525 HIGHLAND THEATER PRESERVATION	75,000	Contract in process.
90310	71538 HMONG TAPESTRY PLAY	15,000	Expires June 2005.
90310	71528 JJ HILL BRIDGE FUND	25,000	Expires July 2005.
90310	71524 LOADING DOCK	9,000	Expires Nov. 2005.
90310	77410 REVOLVING GRANT PROGRAM	1,500	PED ongoing program.
90310	71518 ST.PAUL CONSERVATORY	8,000	Expires June 2005.